FINANCIAL FOUNDATIONS

Financial Foundations portfolios are the initial building blocks people can use to start building savings and then wealth. They are designed and/or managed by Cherry Tree Wealth Management and Charles Schwab & Company. This service is designed for people who do not yet meet our normal investment minimum of $500,000. The portfolios are diversified, and are comprised of low cost exchange-traded funds we have selected, each of which holds hundreds or thousands of individual securities. Financial Foundations portfolios have been designed by Cherry Tree Wealth Management so that the asset class weights are in line with our investment philosophy and your risk profile.

The investor profile questionnaire, which is designed by Schwab and is part of the account opening process, will help us determine what level of risk is right for you based on factors such as your age, goals, investment experience, and investment time horizon. Your account(s) will be at Charles Schwab, they will be accessible online, and will be automatically rebalanced. In addition, your account will automatically be tax-loss harvested throughout the year to minimize your capital gains taxes. Regular, periodic contributions (or withdrawals) can be set up to take place automatically.

These professionally managed portfolios help clients avoid many of the most common investor mistakes we see such as not having the appropriate amount of risk (too much or too little), not rebalancing, using expensive funds, chasing performance, trying to time the market, and trading too much. Avoiding these common investor mistakes can lead to higher investment returns over time.

What is the account minimum? Financial Foundations portfolios are designed for clients with between $50,000 and $500,000 to invest.

What is the fee charged on accounts? The fee is 1% of assets per year, computed and charged quarterly, in advance, based on the account value on the last day of the previous month.

What is included in the 1% fee?

- A diversified portfolio of funds which have been designed and selected by Cherry Tree Wealth Management. We will help to ensure that your portfolio's risk is appropriate for your age and objectives.
- A one hour annual meeting to discuss your portfolio, and any other financial questions you may have.
- Our "Adam Smith Insights" newsletter on various topics related to financial planning, investments, and wealth management.

How do I open an account? Please contact Chelsea Tufte at 952-253-6018 or ctufte@cherrytree.com.

Who can I contact if I have questions about my account? Schwab offers client support and can be reached at 877-805-3399.

By utilizing the Financial Foundations portfolio, you do not have to follow the markets yourself, or spend your time researching stocks and funds. You can have peace of mind knowing you have professionals doing it for you. As your accounts grow and blossom, and your financial life gets more complex, we stand ready to help on a wide variety of topics. Using our Financial Foundations service makes it easy to transition to our full service offering (which includes financial planning) when your account size reaches our minimum of $500,000.

For more information please contact Chelsea Tufte
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Cherry Tree
WEALTH MANAGEMENT
(formerly Adam Smith Advisors)